

Message Text

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PAGE 01 PEKING 00008 030941Z

ACTION EA-09

INFO OCT-01 ISO-00 OPIC-03 AID-05 CIAE-00 COME-00 EB-07
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 SP-02
CIEP-01 LAB-04 SIL-01 OMB-01 STR-04 PA-01 PRS-01 /058 W
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FM USLO PEKING

TO SECSTATE WASHDC 7008

INFO AMCONSUL HONG KONG

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E.O.11652: N/A

TAGS: ETRD, ECEM, CH, US

SUBJECT: PRC MEDIA ON KELLOGG FERTILIZER PLANT

1. PEOPLE'S DAILY, NCNA ENGLISH NEWS BULLETIN, AND PEKING RADIO ON DECEMBER 29 ALL CARRIED STORIES ANNOUNCING THE BEGINNING. PRODUCTION AT THE TA CHING (WOLITUN) CHEMICAL FERTILIZER PLANT IN HEILUNGKIANG PROVINCE. THIS IS THE PLANT SOLD BY M.W. KELLOGG). THE STORIES DESCRIBED THE PLANT AS ONE OF CHINA'S LARGEST, WITH AN ANNUAL CAPACITY OF ONE MILLION TONS OF CHEMICAL FERTILIZER. THE MAJOR THRUST OF ALL ARTICLES WAS A DENUNCIATION OF THE GANG OF FOUR FOR ATTEMPTING TO INTERFERE WITH A PROJECT WHICH HAD BEEN "PERSONALLY APPROVED" BY CHAIRMAN MAO AND CHOU EN-LAI. CHANG CHUN-CHIAO AND CHIANG CHING ARE SAID TO HAVE APPROVED THE PROJECT INITIALLY BUT LATER DID AN "ABOUT-FACE" AND ATTEMPTED TO HAVE THE IMPORTED PARTS OF THE PLAN DISMANTLED.

2. WHILE NOT IDENTIFYING KELLOGG AS THE SELLER OF THE PLANT, THE ARTICLES ADMIT THAT SOME OF THE "NECESSARY TECHNIQUES AND EQUIPMENT" WERE IMPORTED. HOWEVER, THIS IS JUSTIFIED AS FOLLOWING CHAIRMAN MAO'S POLICIES OF LIMITED OFFICIAL USE

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"MAKING FOREIGN THINGS SERVE CHINA" AND "RELYING MAINLY ON OUR OWN EFFORTS WHILE MAKING EXTERNAL ASSISTANCE SUBSIDIARY." IN LINE WITH THESE PRINCIPLES, "ALL IMPORTED INSTALLATIONS WERE DISMANTLED AND CAREFULLY EXAMINED, AND PART OF THE BLUE PRINTS WERE REVISED BECAUSE THEY BORE ERRORS OR DID NOT SUIT CHINA'S CONDITIONS.

3. COMMENT. THE DATE OF DECEMBER 29 WAS THE KELLOGG CONTRACT DATE FOR THE FINAL TURNOVER OF THE AMMONIA PLANT. WHILE THE PLANT HAS RECENTLY UNDERGONE TESTING AND IS NOW IN PARTIAL PRODUCTION, KELLOGG PERSONNEL ESTIMATE THAT IT WILL BE ANOTHER TWO OR THREE MONTHS

BEFORE FULL CAPACITY CAN BE REACHED. THE UREA PLANT UNDER CONSTRUCTION AT TA CHING BY KELLOGG'S DUTCH SUBSIDIARY IS STILL AT LEAST SEVERAL MONTHS FROM COMPLETION, AND THERE WILL BE NO FERTILIZER PRODUCTION UNTIL IT IS.

4. THE CHINESE HAVE NOT YET PROVIDED ENOUGH NATURAL GAS TO THE PLANT TO ALLOW FULL PRODUCTION. THIS IS APPARENTLY NOT YET A SERIOUS PROBLEM AT WOLITUN, BUT MAY BE MUCH MORE SO AT THE PANCHIN AND TSANGCHOW PLANTS WHERE IT MAY BE NECESSARY TO ADD A NAPHTHA PLANT TO PROVIDE FEED STOCK.
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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 03-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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